

SECRET

1 August 1974

MEMORANDUM FOR: Mr. Carver

SUBJECT : Comments on List of Potential Crisis Areas

1. It seems to me that the list as it concerns Asia is rather a mixed bag. It would be helpful for planning purposes to differentiate those situations where a military conflict is likely to grow out of the crisis i.e. the two Koreas, from those where actual military action by at least one side seems unlikely -- Japan and the USSR.

2. In the former category, I would add to the list Malaysia and the Philippines, which could conceivably enter into conflict over the Sabah claims or as an outgrowth of Malaysian support to the Muslim insurrection in the southern Philippines. I would also suggest adding Taiwan and Japan to the list of countries likely to become embroiled in conflict over the exploitation of marine resources in the Yellow Sea. Another mini-crisis that looms on the horizon -- though outside the scope of this list -- is the probable Indonesian annexation of Portuguese Timor.

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